



Credit Union National Association

cuna.org

601 Pennsylvania Ave., NW | South Building, Suite 600 | Washington, DC 20004-2601 | **PHONE:** 202-638-5777 | **FAX:** 202-638-7734

VIA E-MAIL – [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

August 24, 2009

Ms. Mary F. Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

RE: CUNA Comments on Exception to the Maturity Limit  
on Second Mortgages

Dear Ms. Rupp:

The Credit Union National Association (CUNA) appreciates the opportunity to comment on the National Credit Union Administration's (NCUA's) interim final rule that will create a limited exception to the 20-year maturity limit on second mortgage loans. This exception will allow federal credit unions that are taking part in the Treasury Department's Making Home Affordable (MHA) Program to extend second mortgages beyond 20 years in order to match the term of a modified first mortgage. CUNA represents approximately 90 percent of our nation's 8,000 state and federal credit unions, which serve approximately 92 million members.

### **Summary of CUNA's Comments**

- CUNA supports the interim final rule that will create a limited exception to the 20-year maturity limit on second mortgage loans for those credit unions participating in the MHA Program.
- CUNA believes the exception outlined in the interim final rule should apply to all loan modifications, regardless of whether they are undertaken as part of the MHA Program.

### **Discussion**

The MHA Program is intended to help homeowners facing foreclosure by modifying their mortgages so the payments are more affordable. The Program

also includes incentives for lenders to modify second mortgages held by the homeowner, which requires the lender to extend the term of the second mortgage to match the term of the first.

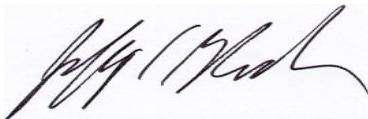
NCUA's lending rules currently limit first mortgage loans to 40 years and second loans to 20. The amendment will create an exception to the 20 year limit for federal credit unions participating in the MHA Program.

CUNA supports the exception, as outlined in the interim final rule. We also believe the exception should apply to all loan modifications, regardless of whether they are undertaken as part of the MHA Program. Credit unions are working very hard to help their members who are having difficulties making their mortgage payments during this economic crisis, which includes modifying mortgages when appropriate. Although credit unions are providing modifications, many are not electing to participate in the MHA Program at this time, often because of the complicated requirements and onerous paperwork burdens.

In many instances, credit unions can provide modifications outside of the MHA Program that may better meet a member's specific situation. Credit unions and borrowers in these situations should be permitted to extend the term of the second mortgage as part of these modifications, in addition to modifications under the MHA Program. This will allow credit unions to help even more members during these very difficult economic times.

Thank you for the opportunity to comment on the interim final rule that will create a limited exception to the 20-year maturity limit on second mortgage loans. If you or other Board staff have questions about our comments, please give Senior Vice President and Deputy General Counsel Mary Dunn or me a call at (202) 638-5777.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey Bloch', is written over a light blue rectangular background.

Jeffrey Bloch  
Senior Assistant General Counsel